

March 2, 2011 – Public Hearing Testimony – Planning and Development Committee

By: Ravi Mohan

Re: S.B. 505 – An Act Concerning the Assessment of New Construction

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Good morning Senator Cassano, Representative Gentile, Ranking Members Fasano and Aman, and members of the Planning and Development Committee. Thank you for the opportunity to submit testimony in support of S.B. 505. I come before you to tell you of my recent personal experience with the property assessment process.

In October 2009 there was a banging on my door, and it turned out to be the Town Assessor who wanted to assess the new construction in progress. I was cooperative and forthcoming with all facts regarding the new construction. He told me he would assign a value to the completed construction, and the assessed value would be his estimate of percentage complete. When I asked if we could go over the assessment when he was done with it to ensure that the underlying information about the property was correct, emphasizing that I was not looking to challenge his assessment, he told me I could get the Field Card when he was done. Upon receiving a notification of assessment increase, in February 2010 I called the Assessor and asked for my Field Card. He told me I could get it, and he also told me that my assessment would be higher. Shortly thereafter, I went and got a copy of my Field Card.

In July 2010 I called the Assessor and asked if I could come and hand over some corrections to be made to my Field Card. When I arrived, the Assessor took the marked up Field Card I gave him, and handed me a clean printout of the Field Card. As I was leaving, I realized that he had raised my Assessment again. I pointed out to that he had already raised my assessment once since the assessment of October 2009 assessment and he was raising it a second time, even though there had been no change on site since the original October 2009 assessment. He told me "That's the number and it not going to change".

These events felt to me like a tax tyranny. It defies credulity that there were three different valuations of the same property, with no changes in the property, all within 8 – 9 months.

I researched the Connecticut General Statutes and read some property tax cases. It became apparent that according to the law, the new construction should never have been assessed in the first place, until a certificate of occupancy was issued or it was first used for the purpose it was constructed. Yet, some Towns, including my Town, are doing so.

Our laws must be clear, so their application is simple and straightforward. This avoids unnecessary litigation, which is expensive and stressful for all concerned and serves no useful public purpose.

S.B. 505 will clarify in no uncertain terms what already exists in our General Statutes. It will reduce misapplication of our laws, whether intentional or unintentional, and reduce the amount of litigation in our over-burdened Court system.

It is possible that there will be some who will claim that Towns will lose revenue as a result of this Bill. If so, that argument would be spurious. It would be analogous to the following – if the State Police were to announce that they will strictly enforce our 55 mph Speed Laws, some people might cry out “But, we are used to driving at 60 mph knowing that nobody gets pulled over for 60, and you are going to take that away.” Chances are that our State would respond “Just because you got away with it does not make it your right or change the law. You should always have been following the law, and now we are telling you of our intent to enforce the law.”

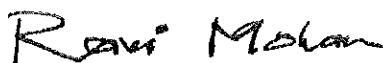
Assessments are the basis for dividing up the cost of providing services to ourselves, in a fair manner. It is possible that local officials are under pressure to increase valuations since they create windfall revenues for the Town, and cushion the tax rate. The attitude of local officials to growth of the Grand List is self-evident in a recent article in the local newspaper in my Town, attached. I am concerned that the desire for a greater tax base may perhaps be a driving force to push the boundaries of the law. Most reasonable people would agree that actions of municipalities and their officials, acting under statutory authority, should be to the highest standards of correctness of law, and of conduct.

In day to day life, we rely on municipal officials who are acting under statutory authority, to tell us the truth. Please help them do their job by making the law absolutely clear, so there is no opportunity to misapply our laws, whether intentional or not. The result of such misapplication is suffering by tax payers who may not even know they have been wronged.

If this important Bill is not passed, the Courts will have to continue to decide this matter. No useful public purpose will be served if this matter is litigated over and over. I urge our Legislature to put this proposed bill to vote, and to pass it.

In closing I thank Senator McKinney for sponsoring S.B. 505, and Senators Prague and Representative Shaban for co-sponsoring it. I hope your committee will look favorably on this bill so it can make its way through the legislative process, and become the law.

Thank you.



Ravi Mohan  
3 Deepwood Road  
Weston, CT 06883

Attachment: Article published in February 3, 2011, issue of Weston Forum

2/25/2011

Weston's grand list is up 0.42%

## Weston's grand list is up 0.42%



*Written by Kimberly Donnelly*

Thursday, 03 February 2011 00:00

Growth in Weston's taxable property this year is not nearly as high as it has been historically, but it did grow more than last year.

The town's net grand list has grown by \$11.1 million, a 0.42% increase, compared with a 0.25% increase in actual growth last year and 0.69% the year before.

"Nearly all of the growth came from residential real estate, which makes up over 94% of the total grand list," said Ken Whitman, Weston's assessor.

The net grand list, a compilation of all taxable property in town as of Oct. 1, 2010, is \$2,636,705,549. That's \$11,142,182 more than the 2009 grand list of \$2,625,563,367 — almost double the previous year's increase.

Mr. Whitman noted the 0.42% increase in the grand list "is somewhat encouraging given the meager increase of last year."

First Selectman Gayle Weinstein agreed. "It's hard to be really pleased when grand list growth is so much lower than recent history, but given the 0.25% increase last year, we've doubled it, so that's good," she said.

Ms. Weinstein pointed out that the tax assessor's grand list numbers (a 0.42% increase) are slightly different than those she is presenting as part of her 2011-12 town budget proposal (a 0.5% increase). That is because the town looks at figures from April 2009 to April 2010, whereas the assessor evaluates property from October 2009 to October 2010, Ms. Weinstein explained.

Last year, the grand list growth created about 150,000 new tax dollars. This year, the increase in the grand list would generate around \$266,000 at the current mill rate of 23.86.

"Growth in the town's taxable grand list allows the tax levy — the amount of money the town needs to raise from taxation — to be spread across a wider tax base, thereby reducing potential increases in the mill rate," Mr. Whitman explained.

The annual mill (or tax) rate is determined after the fiscal year's budget is completed and all known revenue sources are projected, with the exception of tax revenue. The town then determines the value of a mill, which is equal to \$1 for every \$1,000 of assessed value on the grand list. The mill rate is derived by dividing the town's grand levy (its debt) by the town's grand list.

The grand list is made up of real estate, personal property and motor vehicle assessments.

### Real estate

Real estate assessments make up the bulk — 95%, with residential real estate accounting for 94% — of Weston's grand list and are figured at 70% of Oct. 1, 2008, real market value.

Net real estate assessments total \$2,506,182,300, an increase of \$6.7 million or 0.27% from last year's total of \$2,499,448,900.

The increase of 0.27% in real estate was slightly off from last year's 0.39% up-tick and almost entirely a result of residential building improvements, Mr. Whitman said.

### Business personal property

Net personal property assessments grew 4.13% from the previous grand list, slightly better than the 2.75% growth seen last year.

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Weston's grand list is up 0.42%

Personal property includes commercial and industrial furniture, fixtures and machinery. These assessments are generally based on 70% of depreciated acquisition costs.

Personal property assessments total \$19,034,569, which is \$754,902 more than last year's total of \$18,279,667.

Mr. Whitman said there are 279 business accounts in Weston, about the same as last year's 282.

## Motor vehicles

Mr. Whitman said further evidence of economic trends is reflected in the motor vehicle grand list, which he said is "evidence of the turnaround in auto sales."

Net motor vehicle assessments are up 3.39%, an increase of \$3,653,880, to \$111,488,680. These assessments were down by 3.26% on the previous list, and down 3.94% the year before that.

This year, 8,920 vehicles were reported by the Department of Motor Vehicles, 63 fewer than last year.

Motor vehicle assessments are based on 70% of average retail value. Pricing guides provided by the National Automobile Dealers Association are used to determine value. The state Office of Policy Management recommends the use of these guides.

Mr. Whitman said that, as in prior years, Weston's top taxpayer is Connecticut Light & Power, with real and personal property assessments totaling \$12,644,390, followed by Aspetuck Valley Country Club with \$10,185,240, and Aquarion Water Company with \$7,027,000.

## Appeals

The town's new 2010 grand list will not be final until the Board of Assessment Appeals concludes its hearings and decides what changes, if any, will be made to the assessments that are appealed.

Weston's real property, personal property and supplemental motor vehicle appeals will be heard in March. Taxpayers who wish to appeal their assessment to the Board of Assessment Appeals must do so in writing on the approved application form available in the Weston assessor's office. The filing deadline is Friday, Feb. 18, at 4:30 p.m.

Mr. Whitman reminded homeowners that the assessment reflects the market values in effect as of Oct. 1, 2008, when the last revaluation was conducted. State law requires the assessor to value all real estate based on the market as of Oct. 1, 2008.

"Changes in real estate prices over the past 28 months since the 2008 revaluation will not affect the assessed value of property in Weston, and will not be considered a valid reason for a reduction by the Board of Assessment Appeals," Mr. Whitman said.

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